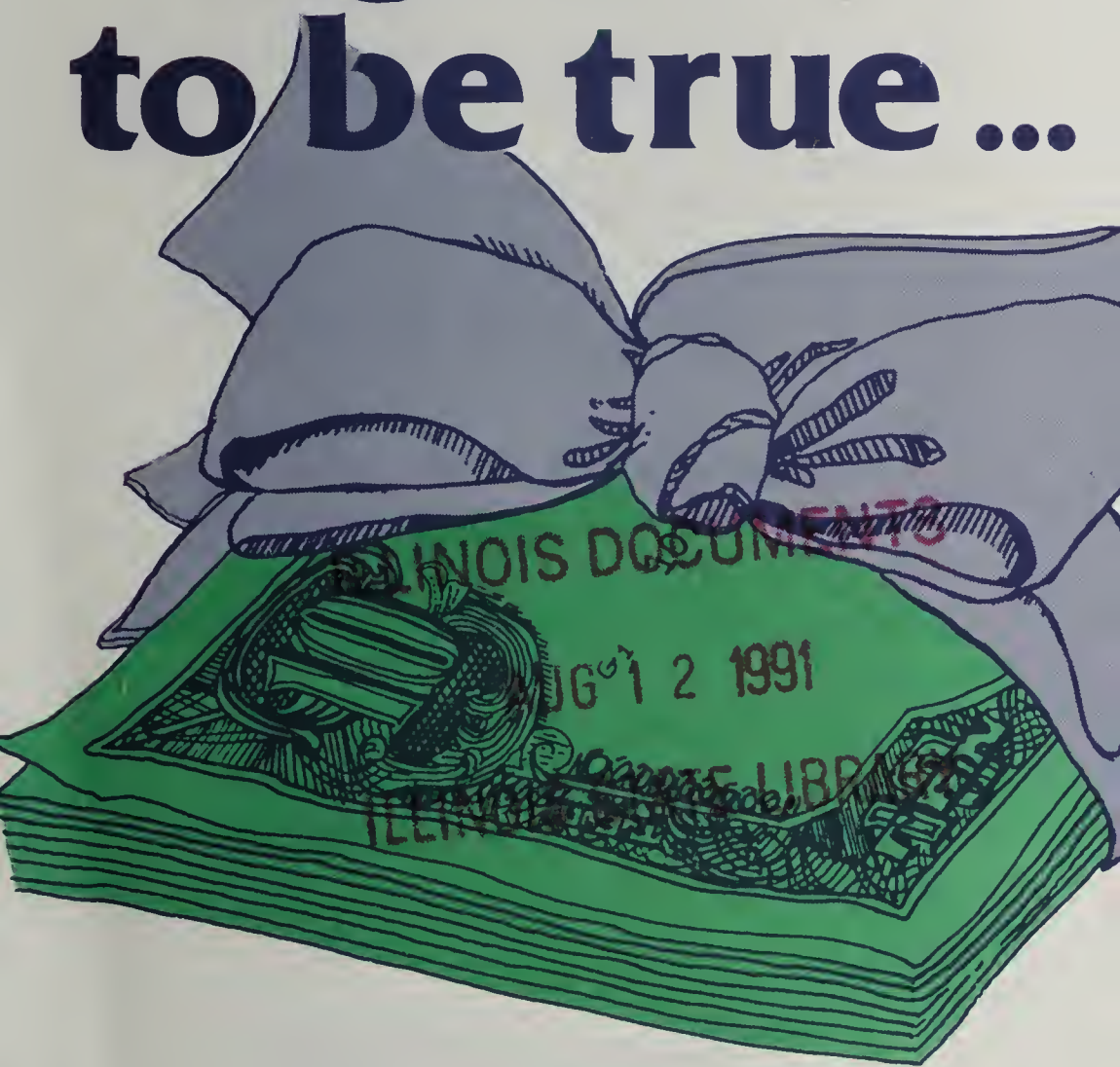


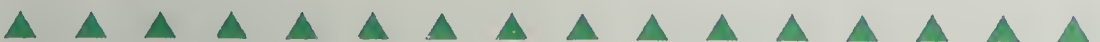
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# If it sounds too good to be true ...



George H. Ryan  
Secretary of State





Don't get burned  
over the money  
you've earned

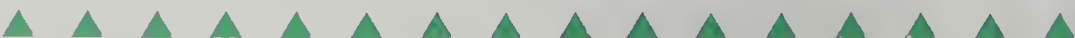
Illinois investors are at constant risk of becoming targets of securities fraud by dishonest promoters. Thus, it is important to carefully examine any investment before it is purchased. To protect citizens from being deceived or manipulated, the Illinois Securities Department of the Office of the Secretary of State has the power to conduct investigations and enforce the securities law.

If you have been defrauded in a securities venture, the Illinois Securities Department can revoke licenses of securities professionals and seek disciplinary remedies.

The best action is always prevention. If you are considering a securities investment, please take a moment to read this pamphlet. It can save you time, money and frustration.

If you have any questions, please feel free to contact my office. And remember the old adage: If it sounds too good to be true, it probably is.

George H. Ryan  
Secretary of State



**WHAT IS IT?** A security is an investment expected to generate profits from the efforts of someone else. Some examples of securities are stocks, bonds, mutual funds, notes, and limited partnerships. Others are oil and gas leases, rights or royalties and “investment contracts.”

**RISKY BUSINESS.** There’s no way around it: All investments involve risks. But risks can be minimized before investing.

- Understand that usually the higher the rate of return, the greater the risk.
- Recognize that you may lose your money unless you are investing in U.S. Treasury notes and bonds that are held to maturity, or federally insured deposits of appropriate amounts.

**BE A VICTOR, NOT A VICTIM.**

Investments can be a way of being victorious at the money game— but they can also be a way to victimize people. So you must investigate before you invest.

it  
pro

- Obtain a written prospectus on the venture, including financial statements.
- Ask for a written legal opinion as to the tax consequences of the venture.
- Consult with an attorney, accountant, or registered investment adviser if you have any questions.



- By law most securities and securities dealers, brokers and investment advisers must be registered. If you are unsure, call the Illinois Securities Department.

**TIP-OFFS TO AVOID RIP-OFFS.** You can avoid the inconvenience and disappointment of securities fraud through the following suggestions.

- Never mail payments by certified check or money order, give credit card numbers over the phone or send payments with a messenger service arranged by the promoter.
- Beware of random phone calls by salespeople who use high pressure tactics and urge immediate action.
- Avoid “pyramid schemes” in which recruitment of new members is more important than the product.

**Probably  
is!**



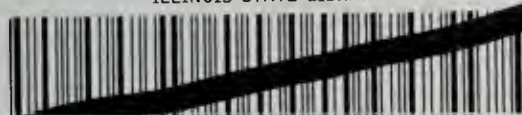


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Securities investments can be a risky business, but there are ways to protect yourself from becoming a victim of financial fraud. As you'll see from the tips inside, it is possible to take steps to keep from contributing to these statistics:

- 10 billion dollars were lost nationally in telemarketing fraud last year.
- An estimated 666,500 people in the U.S. were victims of fraud in 1990.
- 1,420 complaints alleging violations of the law were received by the Illinois Securities Department last year.
- The number one target of unscrupulous securities promoters is senior citizens, because they tend to have accrued money from pensions and life savings.

ILLINOIS STATE LIBRARY



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These statistics provided by the North American Securities Administrators Association (NASAA) and the Illinois Securities Department.





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For more information, contact:

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George Ryan • Secretary of State

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